

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	CASE NO.
UTILITIES COMPANY FOR AN ADJUSTMENT OF	)	2018-00294
ITS ELECTRIC RATES	)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION  
TO KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Industrial Utility Customers, Inc. (KIUC), pursuant to 807 KAR 5:001, is to file with the Commission the original and an electronic version of the following information. The information requested herein is due on February 14, 2019. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KIUC shall make timely amendment to any prior response if KIUC obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KIUC fails

or refuses to furnish all or part of the requested information, KIUC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, KIUC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Lane Kollen (Kollen Testimony), page 25. Fully explain why the error in accumulated depreciation should only reduce equity capitalization.

2. Refer to the Kollen Testimony at 26–28. Confirm that including the additional revenues in the forecasted test year would only affect the required revenue requirement increase and not the total revenue requirement.

3. Refer to the Kollen Testimony, page 52, lines 19–20.

a. Confirm that the 30-year Treasury yield can change between now and the publication of the final order in the instant case.

b. If 1a. above is confirmed, explain whether KIUC will support an adjustment, whether an increase or decrease, to reflect the most current 30-year Treasury yield.

4. Refer to the Kollen Testimony, page 53, line 5. Confirm that KIUC supports Kentucky Utilities Company's proposed credit spread of 1.25 percent. If this cannot be confirmed, explain why.

5. Refer to the Kollen Testimony, page 55, lines 1–3. Provide any updates to the average authorized electric return on equity in general rate cases as they become available.

6. Refer to the Direct Testimony of Stephen J. Baron (Baron Testimony), page 14, Table 1 and page 15, Table 2. Provide similar tables with a further breakdown within each TIER of each rate class's Rate of Return.

7. Refer to the Baron Testimony, page 18, lines 7–15.

a. Explain why there were no adjustments made to the 12 coincident peak (12 CP) cost-of-service study (COSS).

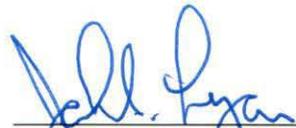
b. Provide how the impact of the perceived benefits not reported in Rate FLS can be quantified and imputed into a COSS.

8. Refer to page 8 of the Direct Testimony of James T. Selecky on behalf of the Department of Defense and all other Federal Executive Agencies (DOD/FEA). Mr. Selecky recommends using the six CP (6 CP) methodology to allocate the fixed production costs.

a. State the opinion of KIUC regarding the 6 CP methodology.

b. State whether KIUC believes the 6 CP methodology would produce a COSS that could be used to allocate the revenue increase.

c. State whether KIUC supports the DOD/FEA's proposed COSS.

*For* 

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Gwen R. Pinson  
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DATED     **JAN 31 2019**    

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